

A bill for an act
relating to human services; prohibiting hospital and physician payment for
certain hospital-acquired conditions and certain treatments; amending Minnesota
Statutes 2008, sections 256.969, by adding a subdivision; 256B.0625, subdivision
3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 256.969, is amended by adding a
subdivision to read:

**Subd. 3b. Nonpayment for hospital-acquired conditions and for certain
treatments.** (a) The commissioner must not make medical assistance payments to a
hospital for any costs of care that result from a condition listed in paragraph (c), if the
condition was hospital-acquired.

(b) For purposes of this subdivision, a condition is hospital-acquired if it is not
identified by the hospital as present on admission. For purposes of this subdivision,
medical assistance includes general assistance medical care and MinnesotaCare.

(c) The prohibition in paragraph (a) applies to payment for each hospital-acquired
condition listed in this paragraph that is represented by an ICD-9-CM diagnosis code and
is designated as a complicating condition or a major complicating condition:

- (1) foreign object retained after surgery (ICD-9-CM codes 998.4 or 998.7);
- (2) air embolism (ICD-9-CM code 999.1);
- (3) blood incompatibility (ICD-9-CM code 999.6);
- (4) pressure ulcers stage III or IV (ICD-9-CM codes 707.23 or 707.24);
- (5) falls and trauma, including fracture, dislocation, intracranial injury, crushing
injury, burn, and electric shock (ICD-9-CM codes with these ranges on the complicating

condition and major complicating condition list: 800-829; 830-839; 850-854; 925-929; 940-949; and 991-994);

(6) catheter-associated urinary tract infection (ICD-9-CM code 996.64);

(7) vascular catheter-associated infection (ICD-9-CM code 999.31);

(8) manifestations of poor glycemic control (ICD-9-CM codes 249.10; 249.11; 249.20; 249.21; 250.10; 250.11; 250.12; 250.13; 250.20; 250.21; 250.22; 250.23; and 251.0);

(9) surgical site infection (ICD-9-CM codes 996.67 or 998.59) following certain orthopedic procedures (procedure codes 81.01; 81.02; 81.03; 81.04; 81.05; 81.06; 81.07; 81.08; 81.23; 81.24; 81.31; 81.32; 81.33; 81.34; 81.35; 81.36; 81.37; 81.38; 81.83; and 81.85);

(10) surgical site infection (ICD-9-CM code 998.59) following bariatric surgery (procedure codes 44.38; 44.39; or 44.95) for a principal diagnosis of morbid obesity (ICD-9-CM code 278.01);

(11) surgical site infection, mediastinitis (ICD-9-CM code 519.2) following coronary artery bypass graft (procedure codes 36.10 to 36.19); and

(12) deep vein thrombosis (ICD-9-CM codes 453.40 to 453.42) or pulmonary embolism (ICD-9-CM codes 415.11 or 415.91) following total knee replacement (procedure code 81.54) or hip replacement (procedure codes 00.85 to 00.87 or 81.51 to 81.52).

(d) The prohibition in paragraph (a) applies to any additional payments that result from a hospital-acquired condition listed in paragraph (c), including, but not limited to, additional treatment or procedures, readmission to the facility after discharge, increased length of stay, change to a higher diagnostic category, or transfer to another hospital. In the event of a transfer to another hospital, the hospital where the condition listed under paragraph (c) was acquired is responsible for any costs incurred at the hospital to which the patient is transferred.

(e) A hospital shall not bill a recipient of services for any payment disallowed under this subdivision.

Sec. 2. Minnesota Statutes 2008, section 256B.0625, subdivision 3, is amended to read:

Subd. 3. **Physicians' services.** (a) Medical assistance covers physicians' services. Rates paid for anesthesiology services provided by physicians shall be according to the formula utilized in the Medicare program and shall use a conversion factor "at percentile of calendar year set by legislature."

3.1 (b) Medical assistance does not cover physicians' services related to the provision of
3.2 care related to a treatment reportable under section 144.7065, subdivision 2, clauses (1),
3.3 (2), (3), and (5), and subdivision 7, clause (1).

3.4 (c) Medical assistance does not cover physicians' services related to the provision of
3.5 care (1) for which hospital reimbursement is prohibited under section 256.969, subdivision
3.6 3b, paragraph (c), or (2) reportable under section 144.7065, subdivisions 2 to 7, if the
3.7 physicians' services are billed by a physician who delivered care that contributed to or
3.8 caused the adverse health care event or hospital-acquired condition.

3.9 (d) The payment limitations in paragraphs (b) and (c) shall also apply to
3.10 MinnesotaCare and general assistance medical care.